

# 2011 Property Tax Report

## Daviess County

### with Comparisons to Prior Years



Legislative Services Agency

September 2011

This report describes property tax changes in Daviess County between 2010 and 2011, with comparison to changes since 2007. In 2011, the changes from the big tax reform of 2008 were fully phased in with the elimination of the last of the state homestead credits. The 2009 recession affected assessments and local tax credits in many counties. Changes in local levies and assessments also were important in many counties.

#### Comparable Homestead Property Tax Changes in Daviess County

	2010 to 2011		2007 to 2011	
	Number of Homesteads	% Share of Total	Number of Homesteads	% Share of Total
<b>Summary Change in Tax Bill</b>				
Higher Tax Bill	4,280	63.1%	568	8.4%
No Change	823	12.1%	86	1.3%
Lower Tax Bill	1,678	24.7%	6,127	90.4%
<b>Average Change in Tax Bill</b>	<b>-3.6%</b>		<b>-26.6%</b>	
<b>Detailed Change in Tax Bill</b>				
20% or More	1,082	16.0%	282	4.2%
10% to 19%	940	13.9%	88	1.3%
1% to 9%	2,258	33.3%	198	2.9%
0%	823	12.1%	86	1.3%
-1% to -9%	540	8.0%	472	7.0%
-10% to -19%	185	2.7%	1,110	16.4%
-20% to -29%	162	2.4%	1,505	22.2%
-30% to -39%	158	2.3%	1,173	17.3%
-40% to -49%	112	1.7%	776	11.4%
-50% to -59%	122	1.8%	301	4.4%
-60% to -69%	96	1.4%	151	2.2%
-70% to -79%	111	1.6%	108	1.6%
-80% to -89%	88	1.3%	96	1.4%
-90% to -99%	53	0.8%	80	1.2%
-100%	51	0.8%	355	5.2%
<b>Total</b>	<b>6,781</b>	<b>100.0%</b>	<b>6,781</b>	<b>100.0%</b>

Note: Percentages may not total due to rounding.

★★★★★  
**HOMESTEAD TAX BILLS FELL  
 DESPITE A LOSS OF THE STATE  
 HOMESTEAD CREDIT AND A  
 DROP IN THE LOCAL  
 HOMESTEAD CREDIT**  
 ★★★★★

#### Homestead Property Taxes

Homestead property taxes decreased 3.6% on average in Daviess County in 2011. This was less than the state average increase of 4.4%. Daviess County homestead taxes were 26.6% lower in 2011 than they were in 2007, before the big tax reform. Homestead tax bills fell mostly due to a drop in taxable assessed values and an increase in the number of homeowners with tax bills limited by the tax caps. Other factors worked to increase tax bills, including the phaseout of the state homestead credit in 2011 (it had been 4.1% in Daviess County in 2010) and a drop in the local homestead credit funded by local income taxes.

#### Tax Rates

Property tax rates increased in about half of Daviess County tax districts. The average tax rate increased by 3.0% because a moderate levy increase exceeded a small increase in net assessed value. Levies in Daviess County increased by 4.3%. The biggest levy increases were for the Washington Schools debt service and bus replacement funds and the county general fund. The levy for the North Daviess School Corporation debt service fund decreased. Daviess County's total net assessed value increased 1.0% in 2011. (The certified net AV used to compute tax rates rose by 1.3%.) Homestead net assessments decreased by 10.1%, and other residential assessments decreased 0.6%. Business net assessments rose 0.3%, and agricultural net assessments increased 16.0%.

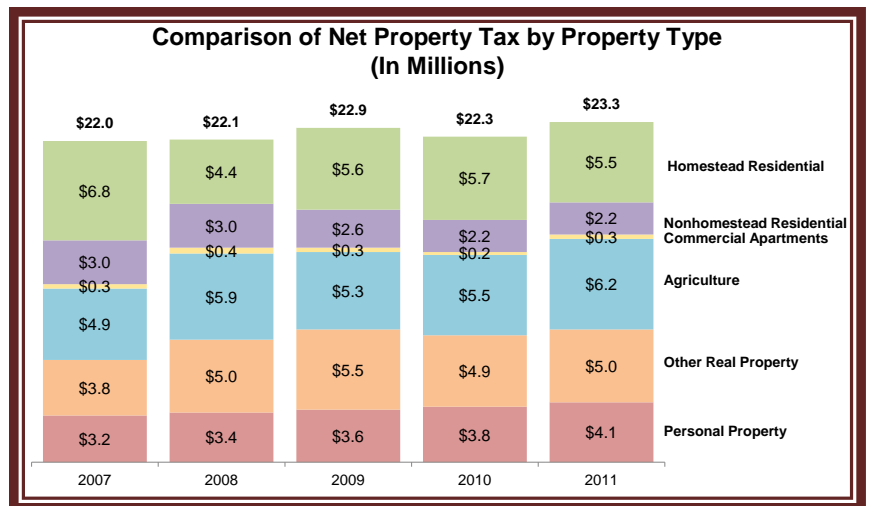
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*SMALL CHANGES IN TAX BILLS FOR  
NONHOMESTEAD PROPERTY; A LARGER  
INCREASE FOR AGRICULTURE*

★★★★★★

### Net Tax Bill Changes - All Property Types

Net tax bills for all taxpayers rose 4.1% in Daviess County in 2011, slightly more than the statewide increase of 2.8%. Other residential property, which includes smaller rentals and second homes, saw net tax bills decrease by 2.1%. Tax bills for commercial apartments rose 1.8%. Business tax bills - which include commercial, industrial and utility buildings, land and equipment - increased by 4.1%. Agricultural tax bills rose 13.7%. This was partly due to the 3.2% increase in the base rate assessment of farm land, from \$1,250 to \$1,290 per acre for taxes in 2011.



### Tax Cap Credits

Property taxes are capped at 1% of gross assessed value for homesteads, 2% for other residential property (including rental housing and second homes) and farmland, and 3% for business land, buildings, and equipment. Taxpayers receive credits when their tax bills exceed the caps. Credits are revenue lost to local governments.

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*TAX CAP CREDITS INCREASED  
IN 2011 DUE TO HIGHER TAX  
RATES IN PLACES WHERE  
RATES WERE ALREADY HIGH*

★★★★★★

Total tax cap credit losses in Daviess County were \$3.3 million, or 12.3% of the levy. This was more than the state average loss rate of 9.2% and much more than the median value of 3.8% among all counties. Tax rates are the main determinant of tax cap credits, and Daviess County's tax rates were above the state median.

About half of the total tax cap credits were in the 2% nonhomestead/farmland category. The largest percentage losses were in the units that shared taxing districts with Washington City. The tax rate in the Washington City district exceeded \$4 per \$100 assessed value. The largest dollar losses were in Washington City, the Washington Community School Corporation, and the county unit.

Daviess County Tax Cap Credits	1%	2%	3%	Elderly	Total	% of Levy
2010 Tax Cap Credits	\$394,565	\$1,469,235	\$799,666	\$16,418	\$2,679,883	10.3%
2011 Tax Cap Credits	578,891	1,737,660	995,906	26,704	3,339,160	12.3%
<b>Change</b>	<b>\$184,326</b>	<b>\$268,425</b>	<b>\$196,240</b>	<b>\$10,286</b>	<b>\$659,277</b>	<b>2.0%</b>

Tax cap credits increased in Daviess County in 2011 by \$659,277, or 25%. The additional credits

represent an added loss of 2.0% of the total tax levy. All tax cap categories saw increases. The credit increases result from higher tax rates, especially in taxing districts where tax rates were already high. Taxpayers already at their tax caps receive more credits when their tax bills increase. Most of the increase in tax cap credits was in the 2% tax cap category, which covers non-homestead residential property. The elimination of the state homestead credit and the drop in local income tax revenue that funds local homestead credits added to the 1% tax cap credit increase.

### The Effect of Recession

The 2009 recession reduced Daviess County assessments for pay-2011. Business and homestead property values and construction activity appear to have fallen in Daviess County in 2009. Lower incomes in 2009 resulted in lower local income tax distributions in 2011, which reduced the local homestead credit. Both of these factors caused tax bill increases, and made more taxpayers eligible for tax cap credits. Credits are revenue losses for local governments.

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*2009 RECESSION DECREASED  
RESIDENTIAL AND HOMESTEAD  
ASSESSMENTS AND REDUCED LOCAL  
HOMESTEAD CREDITS*

★★★★★★

Property Type	Gross AV 2010	Gross AV 2011	Gross AV Change	Net AV 2010	Net AV 2011	Net AV Change
Homesteads	\$836,512,429	\$803,887,080	-3.9%	\$349,549,684	\$314,355,917	-10.1%
Other Residential	101,319,419	100,797,319	-0.5%	97,439,611	96,814,841	-0.6%
Ag Business/Land	285,346,543	330,805,403	15.9%	282,941,923	328,324,483	16.0%
Business Real/Personal	474,006,142	466,941,174	-1.5%	389,007,791	390,242,584	0.3%
<b>Total</b>	<b>\$1,697,184,533</b>	<b>\$1,702,430,976</b>	<b>0.3%</b>	<b>\$1,118,939,009</b>	<b>\$1,129,737,825</b>	<b>1.0%</b>

Net AV equals Gross AV less deductions and exemptions • Tax rates are calculated on Net AV • Circuit breaker tax caps are calculated on Gross AV

### Daviess County Levy Comparison by Taxing Unit

Taxing Unit	2007	2008	2009	2010	2011	% Change			
						2007 - 2008	2008 - 2009	2009 - 2010	2010 - 2011
County Total	29,547,322	32,385,071	24,067,079	24,624,439	25,692,712	9.6%	-25.7%	2.3%	4.3%
State Unit	25,602	27,885	0	0	0	8.9%	-100.0%		
Daviess County	9,145,403	9,725,088	8,657,987	8,888,109	9,359,728	6.3%	-11.0%	2.7%	5.3%
Barr Township	49,144	50,872	51,547	53,976	55,371	3.5%	1.3%	4.7%	2.6%
Bogard Township	21,860	22,543	23,304	23,896	24,652	3.1%	3.4%	2.5%	3.2%
Elmore Township	25,846	26,056	27,120	27,275	27,949	0.8%	4.1%	0.6%	2.5%
Harrison Township	3,457	3,592	3,705	3,771	4,003	3.9%	3.1%	1.8%	6.2%
Madison Township	48,695	50,652	52,955	53,867	55,880	4.0%	4.5%	1.7%	3.7%
Reeve Township	11,989	12,732	13,389	13,785	14,304	6.2%	5.2%	3.0%	3.8%
Steele Township	23,713	31,921	33,278	34,074	35,329	34.6%	4.3%	2.4%	3.7%
Van Buren Township	21,230	21,819	22,514	23,096	23,751	2.8%	3.2%	2.6%	2.8%
Veale Township	23,267	24,305	24,821	25,402	26,513	4.5%	2.1%	2.3%	4.4%
Washington Township	215,237	221,180	222,458	213,294	235,514	2.8%	0.6%	-4.1%	10.4%
Washington Civil City	3,457,291	3,559,318	3,441,148	3,666,307	3,749,441	3.0%	-3.3%	6.5%	2.3%
Alfordsville Civil Town	4,268	5,312	5,460	5,583	5,675	24.5%	2.8%	2.3%	1.6%
Cannelburg Civil Town	9,090	9,472	8,693	9,702	10,006	4.2%	-8.2%	11.6%	3.1%
Elnora Civil Town	71,613	76,734	77,372	77,724	77,513	7.2%	0.8%	0.5%	-0.3%
Montgomery Civil Town	48,435	51,497	52,688	53,998	56,687	6.3%	2.3%	2.5%	5.0%
Odon Civil Town	159,044	168,934	171,074	173,758	181,877	6.2%	1.3%	1.6%	4.7%
Plainville Civil Town	50,758	54,527	56,023	57,324	59,922	7.4%	2.7%	2.3%	4.5%
Barr-Reeve Community School Corp	3,051,338	3,416,871	1,741,854	1,757,777	1,739,355	12.0%	-49.0%	0.9%	-1.0%
North Daviess County School Corp	4,662,709	5,258,582	3,119,001	3,129,983	2,997,791	12.8%	-40.7%	0.4%	-4.2%
Washington Community School Corp	7,481,162	8,549,461	5,249,250	5,399,177	6,151,037	14.3%	-38.6%	2.9%	13.9%
Odon-Winkelpack Public Library	28,174	29,515	30,140	30,825	32,377	4.8%	2.1%	2.3%	5.0%
Washington Carnegie Public Library	481,679	504,496	495,534	505,468	289,284	4.7%	-1.8%	2.0%	-42.8%
Veale Fire Dist	21,850	56,282	41,483	44,693	45,682	157.6%	-26.3%	7.7%	2.2%
Southeast Daviess Fire Protection Dist	66,303	71,046	73,033	74,176	80,071	7.2%	2.8%	1.6%	7.9%
Daviess County Solid Waste Dist	338,165	354,379	371,248	277,399	353,000	4.8%	4.8%	-25.3%	27.3%

### Daviess County 2011 Tax Rates, Credit Rates, and Net Tax Rates for Homesteads by Taxing District

Dist #	Taxing District	Tax Rate	Credit Rates						Net Tax Rate, Homesteads
			LOIT PTRC	COIT	CEDIT	CEDIT	LOIT	LOIT	
				Homestead	Homestead	Residential	Homestead	Residential	
14001	Barr Township	1.7050	--	--	17.2906%	--	--	--	1.4102
14002	Cannelburg Town	2.0502	--	--	--	--	--	--	2.0502
14003	Montgomery Town	2.4015	--	--	32.7060%	--	--	--	1.6161
14004	Bogard Township	1.8891	--	--	16.7291%	--	--	--	1.5731
14005	Elmore Township	1.9132	--	--	45.9282%	--	--	--	1.0345
14006	Elnora Town	2.9331	--	--	23.7707%	--	--	--	2.2359
14007	Harrison Township	2.3230	--	--	6.4643%	--	--	--	2.1728
14008	Madison Township	1.9703	--	--	12.9088%	--	--	--	1.7160
14009	Odon Town	2.6620	--	--	12.1760%	--	--	--	2.3379
14010	Reeve Township	1.8259	--	--	25.7334%	--	--	--	1.3560
14011	Alfordsville Town	2.3314	--	--	--	--	--	--	2.3314
14012	Steele Township	1.9161	--	--	12.0995%	--	--	--	1.6843
14013	Plainville Town	2.7461	--	--	40.9958%	--	--	--	1.6203
14014	Van Buren Township	1.8744	--	--	52.6611%	--	--	--	0.8873
14015	Veale Township	2.3688	--	--	2.3644%	--	--	--	2.3128
14016	Washington Township	2.2747	--	--	27.2251%	--	--	--	1.6554
14017	Washington City	4.0347	--	--	7.9287%	--	--	--	3.7148

Notes: A *Taxing District* is a geographic area of a county where taxing units overlap, so the sum of the taxing unit tax rates is the total district rate.

The *Tax Rate* is the gross levy divided by net assessed value, in dollars per \$100 assessed value.

The *LOIT*, *COIT*, and *CEDIT* credits are funded by local income taxes.

The *Net Tax Rate for Homesteads* is calculated by reducing the tax rate by the various credit percentages.

### Daviness County 2011 Circuit Breaker Cap Credits

Taxing Unit Name	Circuit Breaker Credits by Property Type					Circuit Breaker as % of Levy	
	(1%) Homesteads	(2%) Other Residential and Farmland	(3%) All Other Real/Personal	Elderly	Total		
<i>Non-TIF Total</i>	578,891	1,735,773	991,055	26,704	3,332,422	25,692,712	13.0%
<i>TIF Total</i>	0	1,886	4,851	0	6,738	1,502,304	0.4%
<i>County Total</i>	578,891	1,737,659	995,906	26,704	3,339,160	27,195,016	12.3%
Daviness County	131,983	432,073	220,136	8,287	792,480	9,359,728	8.5%
Barr Township	1	25	0	12	38	55,371	0.1%
Bogard Township	6	0	0	9	15	24,652	0.1%
Elmore Township	5	140	0	4	149	27,949	0.5%
Harrison Township	18	281	0	3	302	4,003	7.5%
Madison Township	19	453	0	52	524	55,880	0.9%
Reeve Township	0	19	0	4	23	14,304	0.2%
Steele Township	0	243	0	8	251	35,329	0.7%
Van Buren Township	0	0	0	8	8	23,751	0.0%
Veale Township	433	1,412	0	30	1,875	26,513	7.1%
Washington Township	5,670	18,881	10,022	372	34,945	235,514	14.8%
Washington Civil City	229,882	590,246	409,101	5,791	1,235,020	3,749,441	32.9%
Alfordsville Civil Town	0	234	0	28	263	5,675	4.6%
Cannelburg Civil Town	20	51	0	19	89	10,006	0.9%
Elnora Civil Town	255	7,518	0	12	7,785	77,513	10.0%
Montgomery Civil Town	0	1,247	0	39	1,287	56,687	2.3%
Odon Civil Town	457	10,727	0	133	11,316	181,877	6.2%
Plainville Civil Town	0	3,601	0	89	3,690	59,922	6.2%
Barr-Reeve Community School Corp	59	1,758	0	416	2,233	1,739,355	0.1%
North Daviness County School Corp	923	23,605	0	1,341	25,869	2,997,791	0.9%
Washington Community School Corp	185,638	576,560	311,929	9,177	1,083,304	6,151,037	17.6%
Odon-Winkelpoleck Public Library	24	569	0	29	623	32,377	1.9%
Washington Carnegie Public Library	17,736	45,540	31,564	447	95,287	289,284	32.9%
Veale Fire Dist	643	2,094	0	44	2,782	45,682	6.1%
Southeast Daviness Fire Protection Dist	139	2,202	0	36	2,376	80,071	3.0%
Daviness County Solid Waste Dist	4,978	16,296	8,302	313	29,888	353,000	8.5%
TIF - Madison Township	0	0	0	0	0	74,264	0.0%
TIF - Washington Township	0	1,055	0	0	1,055	1,407,386	0.1%
TIF - Washington City	0	832	4,851	0	5,683	20,654	27.5%

Notes: Circuit breaker tax cap credits are tax savings for taxpayers and revenue losses for local government units. Circuit breaker credits are highest in tax districts with the highest tax rates. These are usually districts that include cities or towns because the municipal tax rate is included in the district tax rate. This means that most circuit breaker credits are in cities and towns and in units that overlap cities and towns.

#### Circuit Breaker Credit Types:

*Homesteads* are owner-occupied primary residences and include homestead land and buildings in the 1% tax cap category. Owner-occupied mobile homes and agricultural homesteads are included in this category. This category only includes credits on the portion of the property that qualifies as a homestead.

*Other Residential/Farmland* includes small rental housing units, larger commercial apartments, second homes, long-term care facilities, and farmland, in the 2% tax cap category.

*All Other Real/Personal* is commercial, industrial, and utility land and buildings, and business equipment, including agricultural equipment, in the 3% tax cap category. This category also includes credits on the portion of homeowner properties that do not qualify as a homestead.

*Elderly* includes credits for the 2% annual limit on homestead tax bill increases for low-income homeowners, age 65 and over.

The *Total Levy by Unit* is gross property taxes levied, before all tax credits. For TIF districts, this amount represents the TIF proceeds before circuit breaker credits. This information is included to allow comparison to the circuit breaker revenue losses.

Numbers may not total due to rounding.